



**Massachusetts Bay  
Transportation Authority**

# Report from the General Manager

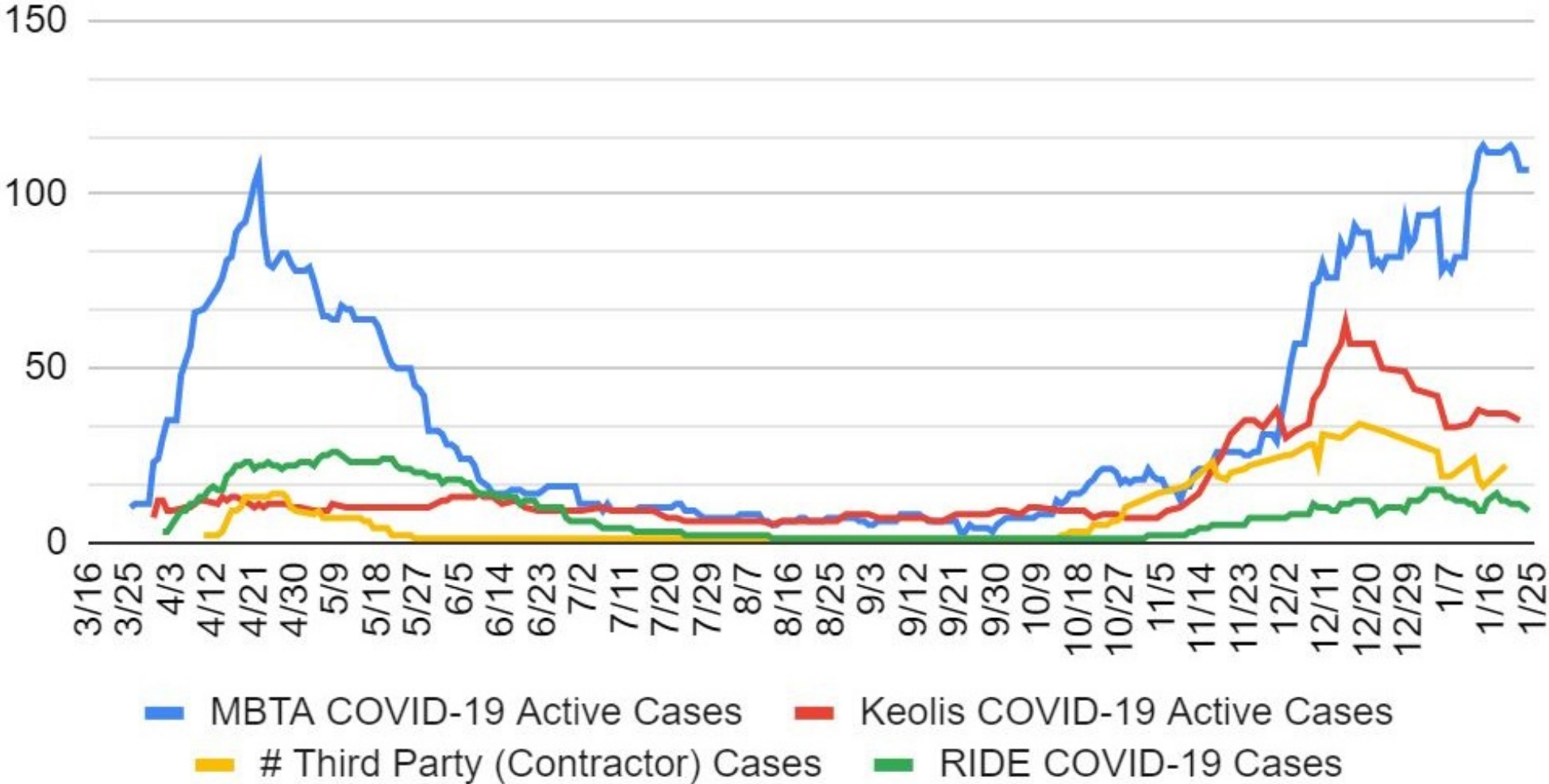
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Fiscal and Management Control Board

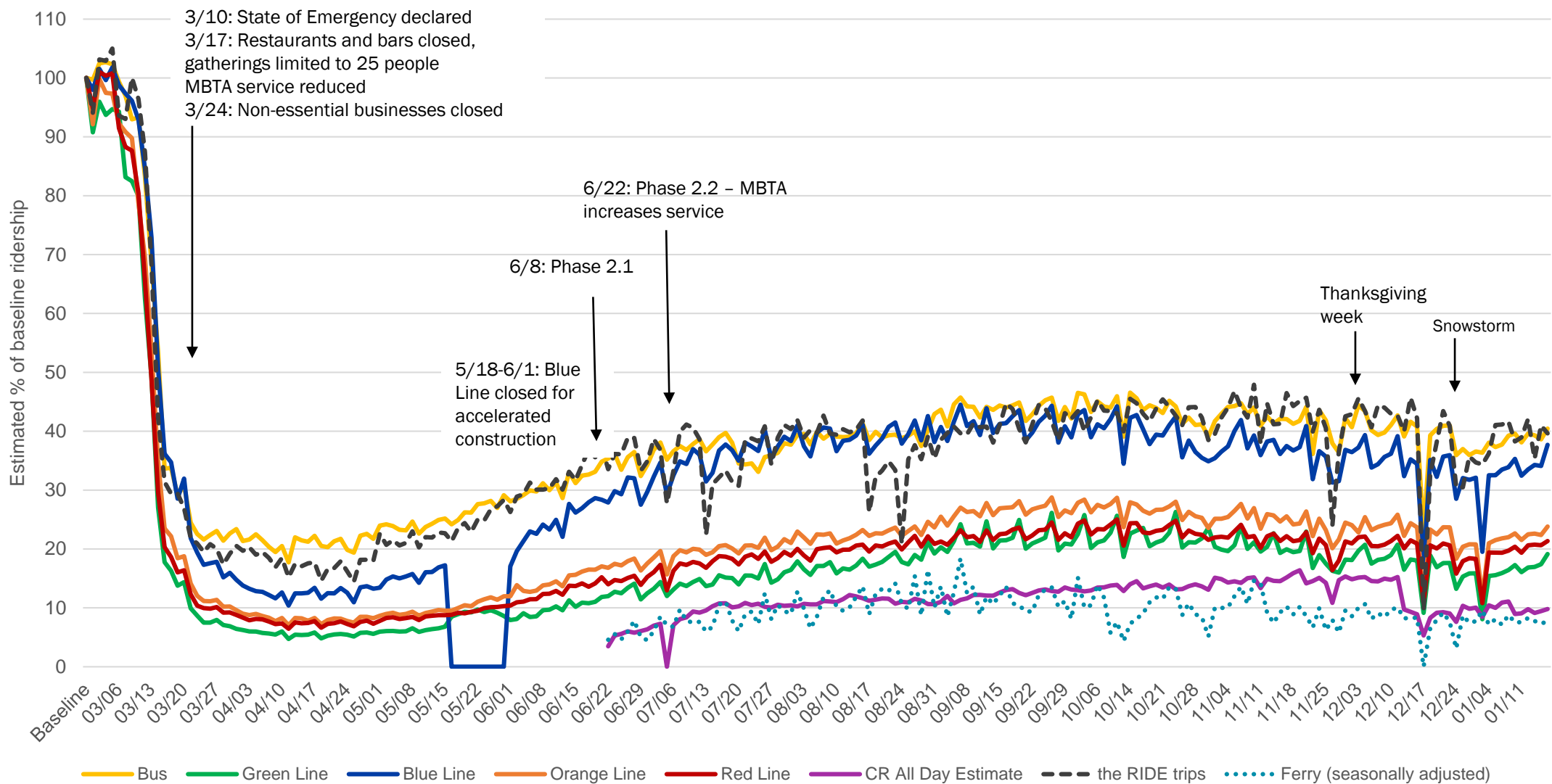
January 25, 2021

# MBTA Active COVID-19 Cases

Source: MBTA HR Business Operations Report, Keolis Daily Dashboard



# Weekday Ridership by Line and Mode - Indexed to Week of 2/24



**Baseline:**  
Average weekday from 2/24-2/28

**Ferry baseline:**  
Average weekday from the same month in 2019

**Sources:**  
Faregate counts for subway lines  
APC for buses  
Manual counts for Commuter Rail  
RIDE/Ferry vendor reports

**Notes:**  
Recent data preliminary.



# November Operating Budget Summary

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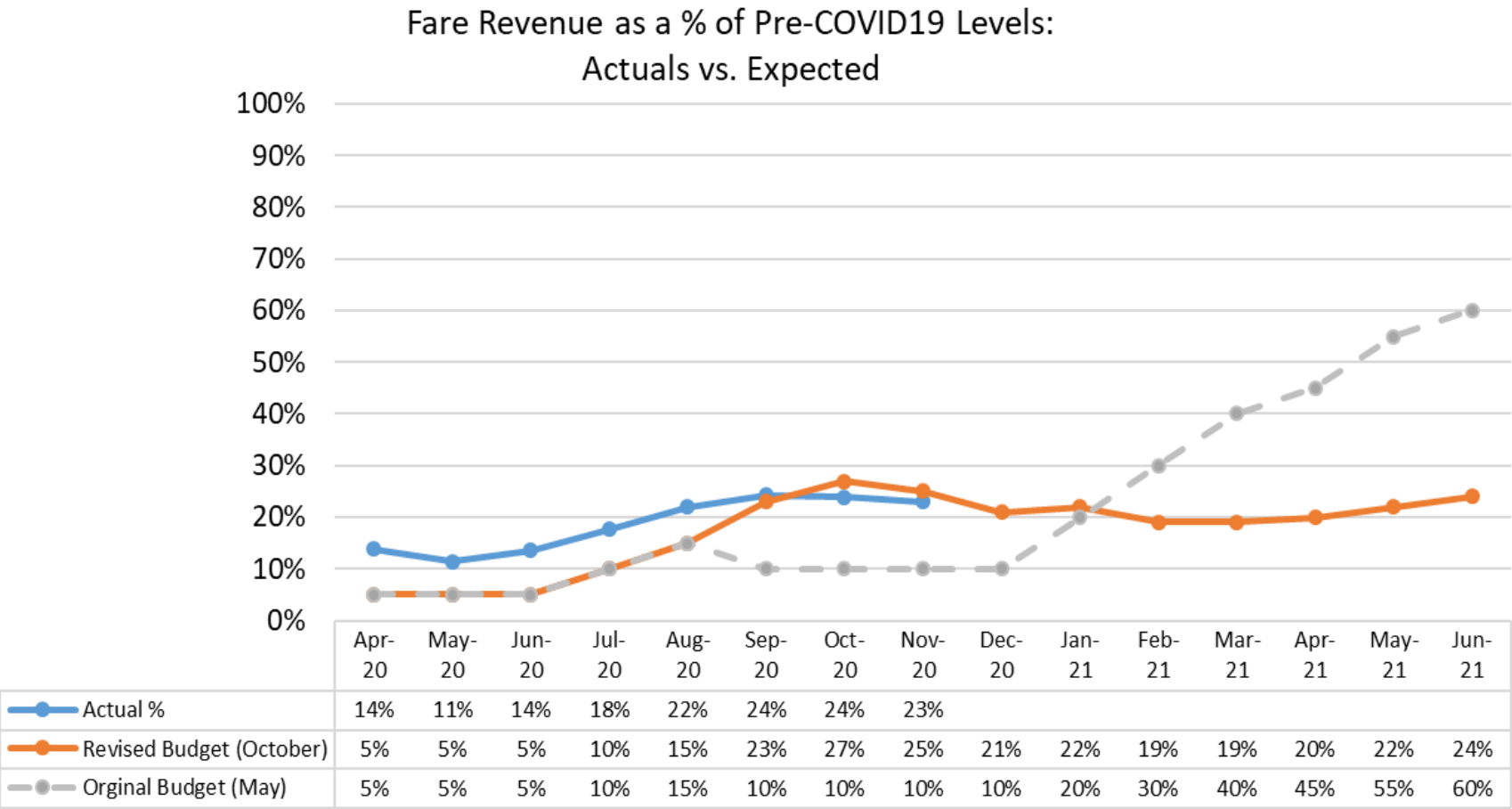
## November Overview

- November actuals continue to be compared to the revised FY21 budget as presented on October 19, 2020
- The budget (October 19, 2020) reflected November net revenues (total revenues less total expenses and before transfers) of -\$5.2M with \$185.9M in total revenues and \$191M in total expenses
  - Net revenues are total revenues less total expenses before transfers
- Actual **November net revenues were \$14.3M** with \$193.3M in total revenues and \$179.0M in total expenses
- Compared to budget, **November net revenues were favorable \$19.5M** (Budget: -\$5.2M; Actual: \$14.3M)
  - **Total revenues were \$7.5M favorable** to budget mostly due to sales tax revenue collections
  - **Total expenses were \$12.0M favorable** to budget due to regular wages, materials and services, and the RIDE
- November COVID-19 actual expenses were \$4.8M bringing **total COVID-19 related payments to \$45.2M**
- Actual **operating budget employee headcount is 5,935** (a month over month decrease of -0.6%), a level consistent with January and February 2020 actuals



# Monthly Fare Revenue Collections

- Fare revenue collections in November were 23% of FY20 budgeted levels compared to the 25% budgeted for the month
- \$1.0M unfavorable for the month with \$13.2M in fare revenue compared to the \$14.2M budgeted
  - Second straight month of fare revenues below budget
  - 10% decrease from prior month
- \$6.5M favorable YTD with actual fare revenue at \$66.1M compared to the \$59.6M budgeted



# Operating Budget Deficiency Fund

- **\$70.8M Operating Budget Deficiency Fund balance** through November 2020
  - **\$51.3M available for transfer** as of November 2020 adds to the pre-existing fund balance
  - **\$19.5M pre-existing balance** (prior to FY21) is less than 1% of total expenses in FY21
- **Balance amount to date can decrease** in future months if spending or revenues do not meet budget
  - For example, just in the next few months, a severe winter could reduce the balance up to \$5M
- As approved by the board on August 24, transferring net revenues to mitigate current or future obligations
- The **Operating Budget Deficiency Fund** contains one-time reserve revenues and may be used to pay debt service on Authority bonds, notes, and other obligations and expenses at the discretion of the CFO

| Operating Budget Deficiency Fund         |              |
|--|--------------|
| Description                              | Amount (\$M) |
| <b>Pre-existing Balance</b>              | <b>19.5</b>  |
| <i>July 2020 Net Revenue</i>             | <i>(1.1)</i> |
| <i>August 2020 Net Revenue</i>           | <i>14.5</i>  |
| <i>September 2020 Net Revenue</i>        | <i>16.1</i>  |
| <i>October 2020 Net Revenue</i>          | <i>7.5</i>   |
| <i>November 2020 Net Revenue</i>         | <i>14.3</i>  |
| <b>FY21 Net Transfers to Date</b>        | <b>51.3</b>  |
| <b>FY21 Balance Amount to Date</b>       | <b>70.8</b>  |
| <b>*Planned Funds Available for FY22</b> | <b>314.0</b> |

\*Planned funds available reflects maximum potential ending balance in FY21 as presented to the FMCB on 12/14

# MBTA Capital Program Overview:

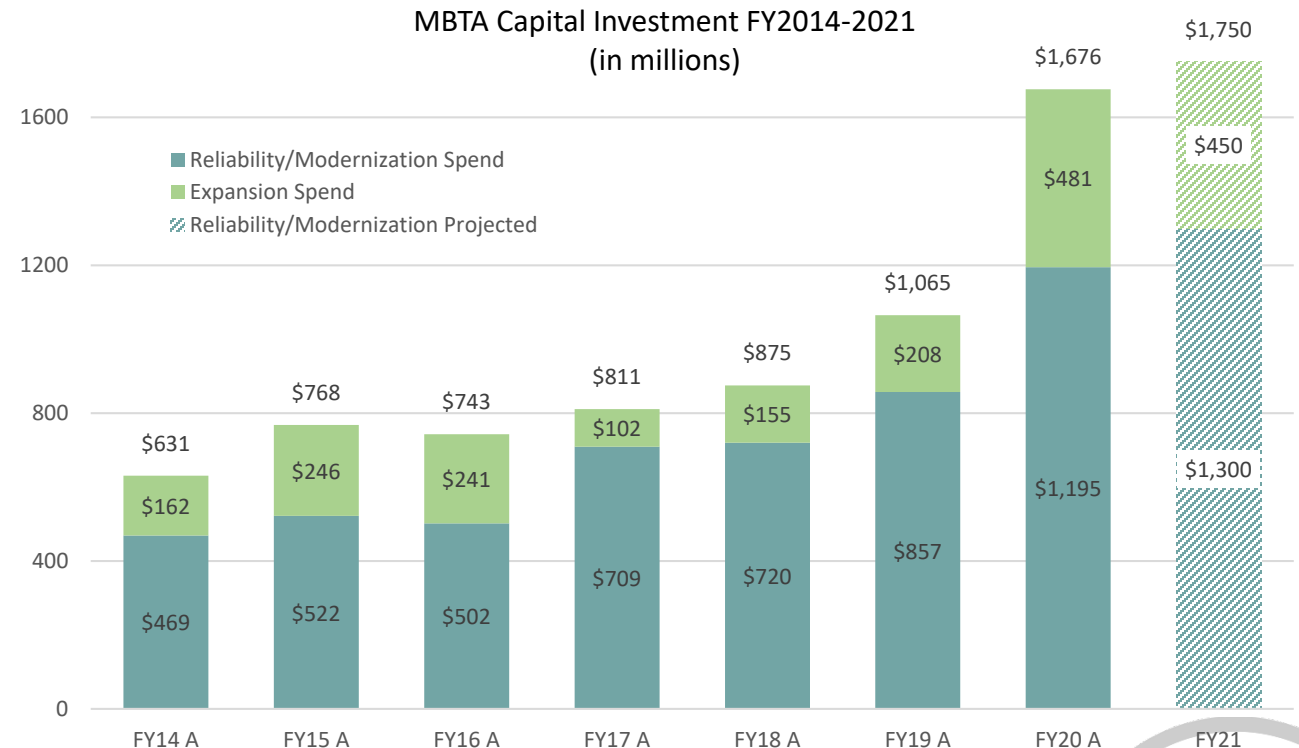
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- The MBTA has ramped up and has the capacity to deliver \$1.7B annually in capital investments
- Over the last 5 years the MBTA has made significant progress on number of key programs, including the development of a number of Transformation Programs with specific goals, targets and timelines
- Because of COVID-related uncertainty, MassDOT and MBTA published a one-year FY21 “maintenance of effort” CIP
- The upcoming CIP, recognizing that there are still significant unknowns, will strive to reflect updated funding sources and uses aligned with COVID scenario planning, and will incorporate the changes approved through the Forging Ahead Capital Reallocation exercise
- In line with MassDOT’s CIP development approach, the framework for the CIP will be driven by and align with the strategic goals and guiding principles reflected in the MBTA’s strategic plan, modal plans and asset management plan



# MBTA Capital Program Overview: Annual Spend

- MBTA's capital investment has dramatically increased – FY20 output was 2.5x FY14 – and reflects a much more mature program and organization.
- A number of major capital programs are on a trajectory for success and major transformation programs are in flight
- The MBTA debt program is strong, solvent, and we are getting more successful in our pursuit of external funding and financing.





# MBTA Capital Program Overview: Cumulative Spend

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- During the five year period from FY16-FY20 the MBTA spent \$5.2 billion
  - \$4.0 billion was on reliability and modernization projects
  - \$1.2 billion was on expansion projects (primarily GLX and SCR)
- Major accomplishments
  - Red Line/Orange Line improvements– vehicle replacement, signal upgrades, infrastructure, and facility projects all underway
  - Green Line Extension under construction and proceeding on budget
  - South Coast Rail under construction
  - Fare Transformation program underway
  - Reconstructed Wollaston Station made Red Line fully accessible
  - Positive Train Control completed ahead of statutory deadline
  - Commissioning over 250 new buses to replace aging diesel fleet with hybrids and purchased five battery electric buses to pilot new technologies



# MBTA Capital Program Overview: Transformation Programs Recap

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- Over the last 5 years the MBTA has successfully set up a number of Transformation programs that are driving capital investments in line with specific goals, targets and timelines

Red Line/Orange Line Transformation  
Green Line Transformation  
Rail Transformation

Bus Transformation  
Fare Transformation

- Today will discuss each of these Transformation programs and the Blue Line and review program goals, achievements to date, notable projects and future programmed and unprogrammed timelines
- **Looking Ahead:** Through the upcoming CIP process the MBTA plans to evaluate all of the Transformation program goals, objectives, and timelines and, after taking into consideration operational capacity and capital funding sources, may need to re-sequence some goals to align with available resources



# CIP Process Key Milestones and Upcoming Board Touchpoints

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## JANUARY

- Capital project proposals are evaluated and scored
- Initial source assumptions, including revenue bond issuances, are developed
- Initial program sizes are drafted based on capital and asset needs
- **Joint Board Meeting (January 11<sup>th</sup>): CIP Strategic Framework and Development Timeline**
- **FMCB Meeting (January 21<sup>st</sup>): Transformation Program Update and CIP Key Milestones**

## FEBRUARY

- Update cash flow forecasts for existing projects
- Begin prioritization process based on project scoring and evaluation
- **FMCB Meeting (February 8<sup>th</sup>): Preliminary source assumptions**
- **Joint Board Meeting (February 22<sup>nd</sup>): Status of programs, sizes, and preliminary source estimates**

## MARCH

- Continue to prioritize and sequence new and existing projects based on agency priorities and capacity
- Develop initial project list – existing and new projects
- Draft 5-year TIP assembled and prepared for distribution to MPO
- **FMCB Meeting (March 8<sup>th</sup>): Preliminary Program Sizes**



# CIP Process Key Milestones and Upcoming Board Touchpoints

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## APRIL

- Draft 5-year TIP assembled and prepared for distribution to Boston MPO
- Boston MPO Meeting, release draft TIP for public comment
- **FMCB Meeting (April 12<sup>th</sup>): CIP Follow-up (*if needed*)**
- **Joint Board Meeting (April 26<sup>th</sup>): Final draft sources and uses, initial project lists/significant changes from prior CIP**

## MAY

- Post draft CIP for public comment; engage public through multiple avenues
- **FMCB Meeting (May 10<sup>th</sup>): Preview project list and changes from prior CIP**
- **Joint Board Meeting (May 24<sup>th</sup>): Draft CIP, updated to sources and uses and public/stakeholder engagement**

## JUNE

- Public meetings and public comment period
- Equity and geographic analysis completed
- **FMCB Meeting (June 7<sup>th</sup>): Review final project list**
- **Joint Board Meeting (June 21<sup>st</sup>): Final proposed CIP, public outreach analysis and equity analysis**

